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CENTRAL INTELLIGENCE AGENCY

Washington, D. C.

NOTICE
NO.

SUBJECT: Vending Machines, Disposition of Proceeds of

1. Under date of 28 July 1952 the Comptroller General was petitioned by another agency for a decision regarding disposition of proceeds received from vending machines which the petitioning agency was depositing in its employee activities fund. The question was raised as to whether this disposition of the funds was proper or whether they should be deposited into the Treasury as miscellaneous receipts.

2. The Comptroller General's decision, No. B-111086, under date of 29 August 1952 quoted in part, section 3617, Revised Statutes, 31 U.S.C. 484, which requires that the gross amount of all moneys received from whatever source for the use of the United States, except as provided in section 487 of title 31, shall be paid into the Treasury, and the decision concluded that the proceeds from vending machines are required to be deposited into the Treasury as miscellaneous receipts.

3. Under date of 17 November 1952 the Postmaster General asked for a modification of decision No. B-111086 on the grounds that many Post Office employee groups had, with administrative approval, contracted for the installment purchase, installation, and operation of vending machines. The Comptroller General on 10 December 1952 rendered a decision, No. B-112840, which stated, in part, that "While the legal authority of the administrative officials to have agreed to such an arrangement is doubtful, it has been concluded that this Office will interpose no objection to the continued use of proceeds derived by employee groups from the operation of such machines for employee general welfare activities pending further action in the matter by the Congress in the form of clarifying legislation as recommended in the report of this Office to the Congress of August 10, 1949, B-45101."

4. In accordance with the Comptroller General's decision of 10 December 1952, the CIA policy in accounting for proceeds from vending machines follows:

- a. All revenues derived from vending machines purchased and operated by Agency employee groups with administrative approval may be utilized by such employee groups for employee general welfare activities.

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- b. Revenues derived from vending machines operated as a part of, or in conjunction with the operation of, a blind-operated stand under the Shepperd-Randolph Act of June 20, 1936, 49 Stat. 1599 may accrue to the operator of the stand.
- c. All revenues derived from vending machines installed and operating in Agency-owned or -leased property which machines are not owned and operated as provided in paragraphs a and b above, shall be forwarded either to the Fiscal Division, Office of the Comptroller, or transferred to the Finance Division, Office of the Comptroller in the case of activities which submit accountings to that Division, for depositing into the Treasury Department as miscellaneous receipts. Where it is determined by the General Services Office and the Security Office, however, that this procedure is inadvisable in specific cases because of the presence of unwitting employees or because of other security considerations, a memorandum setting forth the particular circumstances involved and indicating the proposed disposition to be made of the proceeds shall be furnished to the Comptroller for his approval before action is taken with respect to such proceeds.

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

L. K. WHITE
Acting Deputy Director
(Administration)

TAS/JCS:kdm (9 July 1953)

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